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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 005965

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SUBJECT: PROPOSED CONSTITUTIONAL CHANGES DRAW CRITICISM

REF: A. MANILA - EAP/MTS 12/27/05 UNCLASS E-MAIL

[B](#). MANILA 4662

[C](#). MANILA 4464

Classified By: Charge d'Affaires, a.i., Paul W. Jones for reasons 1.4 (b) and (d).

[1](#). (C) Summary: A Malacanang-created "Consultative Commission" has submitted to President Arroyo its final report on proposed changes to the 1987 Constitution, which include a transformation from a presidential to a parliamentary system of government. The report, which is advisory in nature, recommends that President Arroyo remain in office until the end of her term in 2010, but with an interim Prime Minister to take office in 2007. Many lawmakers and observers have denounced its recommendation to cancel elections scheduled for 2007 by extending the term of incumbent officials until 2010 when a parliament would be elected. The Commission's findings have served to heat up the "Cha-Cha" debate, which will likely distract from a more substantive agenda in Congress. A key Administration player told CDA recently that elections would nonetheless proceed with Malacanang's blessing in 2007, and that quiet negotiations to win Senate support would be primarily over the powers of the interim Prime Minister. End Summary.

Proposed Changes

[1](#)2. (SBU) The 55-member Consultative Commission appointed by President Arroyo to make recommendations for changes to the 1987 Constitution submitted its final report to the President as scheduled on December 15. (Note: See ref A for full text of the 64-page report, which the Commission released to the public over the December 24-25 weekend. End Note.) The recommendations on "Charter Change," or "Cha-Cha" as it is also informally known here, are advisory in nature and have been passed on to the House for review. The Commission's recommendations include:

-- President Arroyo and Vice President De Castro would remain in office until the end of their terms in 2010. Current members of the Senate and the House automatically would become members of an interim unicameral parliament from 2007 to 2010. This interim parliament would elect an interim prime minister, who would serve until 2010. President Arroyo would provide "direction and supervision" to the Prime Minister in running the government during this interim period;

-- Congressional (Senate and House) elections scheduled in 2007 would be scrapped. The terms of office of all current House and Senate members, as well as local officials such as governors and mayors, would be extended until June 30, 2010. Parliamentary elections would be held on the second Monday of May 2010 and every five years thereafter;

-- Members of the new parliament would elect a prime minister and a new "ceremonial" president, who would become head of state in 2010. The prime minister would continue to exercise power in overseeing government affairs;

-- The GRP would shift to more of a federal structure in terms of the center's relationship with regions, provinces and localities. This would be pursued gradually and only after the parliamentary system of government had been established;

-- The GRP would ease restrictions on the exploration, development, and utilization of natural resources by foreigners. Parliament would, at a later date, determine any potential restrictions on foreign investment and ownership of certain industries and businesses such as public utilities and educational institutions.

Officials Attack Proposal to Scrap 2007 Elections

[1](#)3. (SBU) Former president Fidel V. Ramos on December 22 publicly criticized the proposal to scrap the 2007 elections, calling it a "monumental blunder." Ramos, who has long strongly supported a change to a parliamentary system, called on President Arroyo to denounce the plan before New Year's Day. Ramos noted that he had supported Arroyo earlier in the

year when she was under fierce Opposition attack and that she had promised at that time to support a plan whereby she would leave office early in order to facilitate a new governmental setup. A new civil society group, the "Citizens for Con-Con," also strongly criticized the plan to scrap elections, calling it a ploy to "buy the votes of incumbent mayors, governors, and senators" to support charter change.

14. (C) On December 26, Jose Abueva, who was chairman of the Consultative Commission, publicly admitted that one of the goals of the Commission in proposing that the 2007 elections be scrapped was to gain the support of members of Congress and local officials for proposed Constitutional changes. He added that such a plan would also save taxpayer money and help pave the way for a smooth transition to parliamentary elections in 2010. In reaction to all of these charges, Malacanang has asked critics not "to prejudge" the recommendations of the Commission and to withhold judgment until Congress has had a chance thoroughly to debate the proposals. In a December 23 meeting with A/Pol/C, Cabinet Secretary Ricardo Saludo noted that he doubted that the "no

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election" proposal would fly, adding that Malacanang was prepared "to drop it." A key Administration player who is quietly consulting with Senators on Constitutional change told CDA on December 23 that President Arroyo expected the "no election" provision to be shot down, but did not want to alienate the governors and mayors who lobbied for it by shooting it down herself. He added that the important negotiation will be over the powers of the interim Prime Minister versus the President. He expressed the belief that a deal could be struck that could attract enough Senators to overcome an expected Supreme Court challenge.

Senate and House at Odds

15. (SBU) The Senate remains at odds with the House on how to proceed with Constitutional change. Senate President Franklin Drilon, who dropped his support for President Arroyo in July, stated on December 19 that he and other senators remained committed to calling a "Constitutional Convention," where elected delegates would draft changes to the Constitution, rather than a "Constituent Assembly" in which current representatives and senators draft the changes as one body, favored by House Speaker Jose De Venecia. Drilon also assailed the Consultative Commission's proposal to cancel the 2007 elections, saying the recommendation validated the fears of the Senate that "political self-interests" will get in the way of "legitimate amendments" to the Constitution. Other senators, including some like Joker Arroyo who are usually pro-President Arroyo, also attacked the no elections proposal.

Comment

16. (C) The Commission's findings have heated up the debate, but there is still little consensus on the way forward. As reviewed in Ref B, the Constitutional change debate is bound to be drawn out and politically bloody, and will likely distract Congress from substantive priorities. Ramos' harsh comments should worry President Arroyo; his past support has been a political life-saver to her over the past six months. However, everyone here agrees that the President is not likely to leave office early. The key issue is thus whether a deal can be struck, "satisfying" all sides, on the relative powers of the President and Prime Minister from 2007 until 2010.

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